

**LEGISLATIVE SERVICES AGENCY  
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**FISCAL IMPACT STATEMENT**

**LS 6318**

**BILL NUMBER:** HB 1147

**NOTE PREPARED:** Dec 9, 2010

**BILL AMENDED:**

**SUBJECT:** Employer Tax Credit for Report Card Conferences.

**FIRST AUTHOR:** Rep. Smith V

**FIRST SPONSOR:**

**BILL STATUS:** As Introduced

**FUNDS AFFECTED:** X **GENERAL**  
**DEDICATED**  
**FEDERAL**

**IMPACT:** State

**Summary of Legislation:** This bill provides a tax credit against state tax liability to an employer that allows an employee to attend a parent-teacher conference for the purpose of discussing a report card of the employee's child when the employee is otherwise scheduled to be on duty. It provides that the amount of the tax credit is \$50 for each parent-teacher conference attended by an employee during the taxable year, limited to three parent-teacher conferences per employee per taxable year.

**Effective Date:** July 1, 2011.

**Explanation of State Expenditures:** *Department of State Revenue (DOR):* The DOR would incur some administrative expenses relating to the revision of tax forms, instructions, and computer programs to reflect the new tax credit provided by this bill. The DOR's current level of resources should be sufficient to implement the new tax credit.

**Explanation of State Revenues:** *Summary* - This bill provides a new tax credit for employers that allow employees to attend report card conferences. The tax credit is equal to \$50 for each conference attended by an employee, up to three each taxable year. The revenue loss due to this bill could potentially total about \$19.2 M to \$86.5 M in FY 2013.

The revenue loss estimate is based on Indiana nonfarm employment and employment characteristic data from the U.S. Bureau of Labor Statistics. The table below provides estimates for employed parents with children ages 6 to 17 attending one, two, or three report card conferences. The range includes employed married couples and employed single parents. The higher estimate represents both employed married parents attending conferences, while the lower estimate represents one employed parent (single or married) attending

conferences.

<b>Tax Year</b>	<b>Revenue Loss From Attending One Conference</b>	<b>Revenue Loss From Attending Two Conferences</b>	<b>Revenue Loss From Attending Three Conferences</b>
<b>2012</b>	\$19.2 M - \$28.8 M	\$38.4 M - \$57.7 M	\$57.6 M - \$86.5 M
<b>2013</b>	\$19.6 M - \$29.4 M	\$39.2 M - \$58.8 M	\$58.8 M - \$88.2 M
<b>2014</b>	\$19.9 M - \$29.9 M	\$39.9 M - \$59.9 M	\$59.8 M - \$89.8 M

**Background Information** - The Employer Tax Credit for Report Card Conferences provided by this bill is for employers that allow employees to attend parent teacher conferences to discuss their children's report cards when the employee is otherwise scheduled to be on duty. The tax credit is equal to \$50 for each conference attended, up to three, during a taxable year. The tax credit is nonrefundable, but may be carried forward for up to 5 succeeding taxable years. The tax credit may not be carried back. The tax credit may be taken against individual and corporate Adjusted Gross Income (AGI) Tax, the Financial Institutions Tax, and Insurance Premiums Tax liabilities. Revenue from these taxes is distributed to the state General Fund.

**Explanation of Local Expenditures:**

**Explanation of Local Revenues:**

**State Agencies Affected:** Department of State Revenue.

**Local Agencies Affected:**

**Information Sources:** Indiana Department of Workforce Development; U.S. Bureau of Labor Statistics; Global Insight, Indiana Employment, 5-Year State Forecast.

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